

Press Release

Udayakumar Modern Rice Mill

September 17, 2020



Rating Withdrawn

Total Bank Facilities Rated*	Rs. 16.00 Cr. #
Long Term Rating	ACUITE B+ Rating Withdrawn; Issuer not co-operating*
Short Term Rating	ACUITE A4 Rating Withdrawn; Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE B+** (**read as ACUITE B plus**) and the short-term rating of '**ACUITE A4** (**read as ACUITE A four**)' on the Rs.16.00 crore bank facilities of Udayakumar Modern Rice Mill (UMRM). This rating is now an indicative rating based on the best available information and subsequently withdrawn.

This rating is withdrawn in accordance with the Acuité's policy on withdrawal of rating. The rating is being withdrawn on account of request received from the company and No Objection Certificate (NOC) received from the banker.

UMRM, incorporated in 1980, is engaged in the milling and processing of paddy into rice. The plant is located in Salem (Tamil Nadu) spread across two and a half acres of land. The firm has an installed capacity of 50MT per day of paddy, which is utilised at about 85 percent. The firm also owns a windmill of 250 KW and is located at Munduvelanpatti in Dharapuram Taluk.

About the Group

A. Duraisamy Modern Rice Mill, established in 1985, is promoted by Mr. D. Udayakumar along with other partners. The firm is engaged in the processing of paddy into the rice and is located in Salem city of Tamil Nadu. Analytical Approach Acuité has consolidated the business and financial risk profiles of Udayakumar Modern Rice Mill and A. Duraisamy Modern Rice Mill to arrive at the rating basis common management and similar line of business.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Sector Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
July-02-2020	Cash Credit	Long Term	14.00	ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable)
	Term Loan I	Long Term	1.14	ACUITE B+ Issuer not co-operating* (Downgraded from ACUITE BB-/ Stable)
	Bank Guarantee	Short Term	0.86	ACUITE A4 Issuer not co-operating* (Downgraded from ACUITE A4+)
May-03-2019	Cash Credit	Long Term	14.00	ACUITE BB-/Stable Assigned)
	Term Loan I	Long Term	1.14	ACUITE BB-/Stable Assigned)
	Bank Guarantee	Short Term	0.86	ACUITE A4+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE B+ Rating Withdrawn; Issuer not co-operating*
Term Loan I	Not Available	Not Applicable	Not Available	1.14	ACUITE B+ Rating Withdrawn; Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.86	ACUITE A4 Rating Withdrawn; Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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